

a little adjustment.

SENATOR CROSBY: Thank you, Senator Beutler. Senator Warner.

SENATOR WARNER: Madam President, members of the Legislature, I'd to respond to maybe two, three, four things that have been said of which sometime ago; one based on the fiscal notes with reference to three days apart, the difference is the report from the Department of Revenue, which you will find on the back of the sheet that was dated February 2nd. The front side reflects that, reflects a half million of first year, '95-96, a million, '96-97, and then if you put up a third year, which isn't on the sheet, would be another half million, so that is why you have got a million six. The fiscal note that appeared dated January 30th reflected what was in the Governor's initiative that was handed out on his speech that was given here, what, the third day, I guess of the session, or second day, and that was where the 4 million came from approximately. As I indicated in my earlier remarks, it may be that high, but based on these other business structures that might exist, but the million six total is from the actual someone going through tax returns previously as opposed to using a model, which was used two years ago, and did not reflect actual tax that was paid. Secondly, as a matter of policy, the policy issue here is if you use a sales only concept, that probably good tax policy is that it should only refer to the sales within that state, that is part of the concept of a sales only rather than the three factor type, and that's a tax policy issue. Finally, I would share the reluctance of others who have spoken about narrowing the tax base. I certainly would agree that it should be broadened. One of the things that was talked about that the only bills we have had out here is some that reduced the revenue, we've also killed a number of bills in committee that would have reduced the revenue, which we felt did not fit good tax policy, and these that were advanced were consistent with what appeared to be good tax policy. Some of those that were mentioned, it was because the sales tax was applied to what was a component part of a manufactured product. That is consistent with past policy and some of this only occurred as the result of court interpretations that otherwise would have assumed to have been a component part without any question, and in this case, it's an income tax, it is not a component part, but it is consistent with what would be considered appropriate tax policy if you use the sales only concept for this form of income tax, and I would urge that the bill be advanced.